

**MINUTES OF THE JOINT CITY COUNCIL
SAN JOSÉ FINANCING AUTHORITY**

SAN JOSÉ, CALIFORNIA

TUESDAY, JUNE 3, 2008

The Council of the City of San José convened in regular session at 4:10 p.m. in the Council Chambers at City Hall.

Present: Council Members - Campos, Chirco, Chu, Constant, Cortese, Liccardo, Nguyen, Oliverio, Pyle, Williams; Reed.

Absent: Council Members - None.

2. **Actions Related to the City of San José Financing Authority Lease Revenue Bonds**
 - (e) **Actions related to the City of San José Financing Authority Taxable Lease Revenue Bonds, Series 2008F (Land Acquisition Refunding Project)**
 - (1) **Adopt the following 2007-2008 Appropriation Ordinance and Funding Sources Resolution amendments in the General Fund:**
 - (a) **Increase the estimate for Other Revenue by \$675,000; and**
 - (b) **Increase the City-Wide Expenses appropriation for FMC Debt Service Payments - Airport by \$675,000.**
 - (2) **Adopt the following 2007-2008 Appropriation Ordinance and Funding Sources Resolution amendments in the Airport Revenue Fund (521):**
 - (a) **Increase estimate for Earned Revenue by \$382,000 to reflect additional commercial paper proceeds; and**
 - (b) **Increase the Transfer to the Airport Maintenance and Operation Fund by \$382,000.**
 - (3) **Adopt the following 2007-2008 Appropriation Ordinance and Funding Sources Resolution amendments in the Airport Maintenance and Operation Fund (523):**
 - (a) **Increase the estimate for Transfers by \$382,000; and**
 - (b) **Increase the appropriation to the Airport Department for Property Lease Payment by \$382,000.**

2. Actions Related to the City of San José Financing Authority Lease Revenue Bonds (Cont'd.)

- (e) (4) Adoption of a resolution of the City Council approving, authorizing and directing execution of certain financing documents and direct certain related actions in connection with the issuance of the City of San José Financing Authority Taxable Lease Revenue Bonds, Series 2008F (Land Acquisition Refunding Project) (the “Land Acquisition Refunding Bonds”) in an aggregate principal amount not to exceed \$68,000,000, in connection with the refinancing of certain public capital improvements of the City of San José, to be sold through negotiated sale, and authorizing the Designated Officers to take other actions as necessary in connection with the issuance of the Land Acquisition Refunding Bonds. CEQA: Not a Project.**
- (5) Adoption of a resolution of the City of San José Financing Authority Board:**
 - (a) Authorizing the issuance of the Land Acquisition Refunding Bonds, in an aggregate principal amount not to exceed \$68,000,000, in connection with the refinancing of certain public capital improvements of the City of San José to be sold through negotiated sale.**
 - (b) Approving, authorizing and directing the execution of various financing documents related to the Land Acquisition Refunding Bonds and authorizing the Designated Officers to take other actions as necessary in connection with the issuance of the Land Acquisition Refunding Bonds.**

Documents Filed: (1) Memorandum from Deputy Director of Finance Julia H. Cooper and Budget Director Jennifer Maguire, dated May 14, 2008, recommending approval of the sale and issuance of bonds and related bond documents for the City of San José Financing Authority Lease Revenue Bonds, Series 2008ABCDEF. (2) Supplemental Memorandum #1 from Deputy Director of Finance Julia H. Cooper, dated May 19, 2008, transmitting the Official Statement for the Proposed Series of bonds. (3) Supplemental Memorandum #2 from City Manager Debra Figone, dated May 20, 2008, recommending approval of the sale and issuance of bonds and related bond documents. (4) Supplemental Memorandum #3 from Deputy Director of Finance Julia H. Cooper, dated May 28, 2008, providing additional information related to securing letters of credit for proposed bonds. (5) Supplemental Memorandum #4 from Deputy Director of Finance Julia H. Cooper, dated May 29, 2008, providing additional information related to terms and reimbursement agreements for Bond Series 2008B and 2008E. (6) Statement and Declaration of Conflict of Interest form from Council Member Pyle, dated June 3, 2008.

Deputy Director of Finance Julia H. Cooper, provided a brief overview of refinancing actions for the City’s outstanding lease revenue rate debts.

Action: Upon motion by Vice Mayor Cortese, seconded by Council Member Constant and carried unanimously, [Ordinance No. 28326](#), entitled: “An Ordinance of the City of San José Amending Ordinance No. 28071 to Appropriate Monies in the General Fund for

2. Actions Related to the City of San José Financing Authority Lease Revenue Bonds (Cont'd.)

FMC Debt Service Payments – Airport; and Providing that this Ordinance shall become effective immediately upon Adoption”, [Resolution No. 74404](#), entitled: “A Resolution of the Council of the City of San José Amending Resolution No. 73862 Setting Forth the Estimated Sources of Funds for the Fiscal Year 2007-2008 to Adjust Revenues in the General Fund”, [Ordinance No. 28327](#), entitled: “An Ordinance of the City of San José Amending Ordinance No. 28071 to Appropriate Monies in the Airport Revenue Fund for the Transfer to the Airport Maintenance and Operations Funds; and Providing that this Ordinance shall become effective immediately upon Adoption”, [Resolution No. 74405](#), entitled: “A Resolution of the Council of the City of San José Amending Resolution No. 73862 Setting Forth the Estimated Sources of Funds for the Fiscal Year 2007-2008 to Adjust Revenues in the Airport Revenue Fund”, [Ordinance No. 28328](#), entitled: “An Ordinance of the City of San José Amending Ordinance No. 28071 to Appropriate Monies in the Airport Revenue Fund for the Transfer to the Airport Maintenance and Operations Fund; and Providing that this Ordinance shall become effective immediately upon Adoption”, [Resolution No. 74406](#), entitled: “A Resolution of the Council of the City of San José Amending Resolution No. 73862 Setting Forth the Estimated Sources of Funds for the Fiscal Year 2007-2008 to Adjust Revenues in the Airport Maintenance and Operations Fund”, [Resolution No. 74407](#), entitled: “A Resolution of the Council of the City of San José Approving, Authorizing and Directing Execution of Certain Financing Documents and Directing Certain Related Actions in Connection with the Issuance of the City of San José Financing Authority Taxable Lease Revenue Bonds, Series 2008F (Land Acquisition Refunding Project) in an Aggregate Principal Amount not to exceed \$68,000,000, and [SJFA Resolution No. 82](#), entitled: “A Resolution of the City of San José Financing Authority Authorizing the Issuance of Taxable Lease Revenue Bonds, Series 2008F (Land Acquisition Refunding Project) in an Aggregate Principal Amount not to exceed \$68,000,000, Authorizing and Directing the Execution of Certain Financing Documents, Authorizing and Directing the Negotiated Sale of the Bonds, Approving the Official Statement Relating Thereto, and Authorizing Other Related Actions”, were adopted. (11-0.)

Council Member Pyle disqualified herself from the remainder of the Finance Authority Items due to a conflict of interest (Member of California State Teachers’ Retirement System).

- 2. (a) Actions related to the City of San José Financing Authority Lease Revenue Bonds, Series 2008A (Civic Center Refunding Project)**
- (1) Adopt the following 2007-2008 Appropriation Ordinance amendments in the City Hall Debt Service Fund (210):**
- (a) Increase the appropriation for City Hall Debt Service by \$250,000; and**
 - (b) Decrease the appropriation for City Hall Garage Debt Service by \$250,000.**

- 2. Actions Related to the City of San José Financing Authority Lease Revenue Bonds (Cont'd.)**
- (a) (2)** Adoption of a resolution of the City Council approving, authorizing and directing execution of certain financing documents and direct certain related actions in connection with the issuance of the City of San José Financing Authority Lease Revenue Bonds, Series 2008A (Civic Center Refunding Project) (the “Civic Center Refunding Bonds”) in an aggregate principal amount not to exceed \$61,000,000, in connection with the refinancing of certain public capital improvements of the City of San José, to be sold through negotiated sale, and authorizing the City Manager or the City Manager’s authorized designees (“Designated Officers”) to take other actions as necessary in connection with the issuance of the Civic Center Refunding Bonds, including pledging additional assets to secure the project lease with the City of San José Financing Authority.
 - (3)** Adoption of a resolution of the City of San José Financing Authority Board:
 - (a)** Authorizing the issuance of the Civic Center Refunding Bonds, in an aggregate principal amount not to exceed \$61,000,000, in connection with the refinancing of certain public capital improvements of the City of San José to be sold through negotiated sale; and
 - (b)** Approving, authorizing and directing the execution of various financing documents related to the Civic Center Refunding Bonds and authorizing the Authority’s Executive Director or the Executive Director’s authorized designees (“Designated Officers”) to take other actions as necessary in connection with the issuance of the Civic Center Refunding Bonds. CEQA: Not a Project.
 - (b)** Actions related to the City of San José Financing Authority Lease Revenue Bonds, Series 2008B (Civic Center Garage Refunding Project)
 - (1)** Adoption of a resolution of the City Council approving, authorizing and directing execution of certain financing documents and direct certain related actions in connection with the issuance of the City of San José Financing Authority Lease Revenue Bonds, Series 2008B (Civic Center Garage Refunding Project) (the “Civic Center Garage Refunding Bonds”) in an aggregate principal amount not to exceed \$35,000,000, in connection with the refinancing of certain public capital improvements of the City of San José, to be sold through negotiated sale, and authorizing the Designated Officers to take other actions as necessary in connection with the issuance of the Civic Center Garage Refunding Bonds.

- 2. Actions Related to the City of San José Financing Authority Lease Revenue Bonds (Cont'd.)**
- (b) (2) Adoption of a resolution of the City of San José Financing Authority Board:**
- (a) Authorizing the issuance of the Civic Center Garage Refunding Bonds, in an aggregate principal amount not to exceed \$35,000,000, in connection with the refinancing of certain public capital improvements of the City of San José to be sold through negotiated sale; and**
- (b) Approving, authorizing and directing the execution of various financing documents related to the Civic Center Garage Refunding Bonds and authorizing the Designated Officers to take other actions as necessary in connection with the issuance of the Civic Center Garage Refunding Bonds. CEQA: Not a Project.**
- (c) Actions related to the City of San José Financing Authority Lease Revenue Bonds, Series 2008C and 2008D (Hayes Mansion Refunding Project)**
- (1) Adopt the following 2007-2008 Appropriation Ordinance amendments in the Community Facilities Revenue Fund (422):**
- (a) Increase the appropriation for Debt Service Payments for the Hayes Phase III by \$750,000; and**
- (b) Reduce the Ending Fund Balance by \$750,000.**
- (2) Adoption of a resolution of the City Council approving, authorizing and directing execution of certain financing documents and direct certain related actions in connection with the issuance of the City of San José Financing Authority Lease Revenue Bonds, Series 2008C (Hayes Mansion Refunding Project) in an aggregate amount not to exceed \$11,000,000 and the City of San José Financing Authority Taxable Lease Revenue Bonds Series 2008D (Hayes Mansion Refunding Project) (collectively the “Hayes Mansion Refunding Bonds”) in an aggregate principal amount not to exceed \$48,000,000, in connection with the refinancing of certain public capital improvements of the City of San José, to be sold through negotiated sale, and authorizing the Designated Officers to take other actions as necessary in connection with the issuance of the Hayes Mansion Refunding Bonds.**
- (3) Adoption of a resolution of the City of San José Financing Authority Board:**
- (a) Authorizing the issuance of the Hayes Mansion Refunding Bonds, in an aggregate principal amount not to exceed \$11,000,000 for the Series 2008C Bonds and \$48,000,000 for the Series 2008D Bonds, in connection with the refinancing of certain public capital improvements of the City of San José to be sold through negotiated sale; and**

2. **Actions Related to the City of San José Financing Authority Lease Revenue Bonds (Cont'd.)**
- (c) (3) (b) **Approving, authorizing and directing the execution of various financing documents related to the Hayes Mansion Refunding Bonds and authorizing the Designated Officers to take other actions as necessary in connection with the issuance of the Hayes Mansion Refunding Bonds. CEQA: Not a Project.**
 - (d) **Actions related to the City of San José Financing Authority Taxable Lease Revenue Bonds, Series 2008E (Ice Centre Refunding Project)**
 - (1) **Adopt the following 2007-2008 Appropriation Ordinance amendments in the Ice Centre Revenue Fund (432):**
 - (a) **Increase the Transfer for Debt Service Payment for the Ice Centre by \$250,000; and**
 - (b) **Reduce the Ending Fund Balance by \$250,000.**
 - (2) **Adoption of a resolution of the City Council approving, authorizing and directing execution of certain financing documents and direct certain related actions in connection with the issuance of the City of San José Financing Authority Taxable Lease Revenue Bonds, Series 2008E (Ice Centre Refunding Project) (the “ Ice Centre Refunding Bonds”) in an aggregate principal amount not to exceed \$28,000,000, in connection with the refinancing of certain public capital improvements of the City of San José, to be sold through negotiated sale, and authorizing the Designated Officers to take other actions as necessary in connection with the issuance of the Ice Centre Refunding Bonds.**
 - (3) **Adoption of a resolution of the City of San José Financing Authority Board:**
 - (a) **Authorizing the issuance of the Ice Centre Refunding Bonds, in an aggregate principal amount not to exceed \$28,000,000, in connection with the refinancing of certain public capital improvements of the City of San José to be sold through negotiated sale; and**
 - (b) **Approving, authorizing and directing the execution of various financing documents related to the Ice Centre Refunding Bonds and authorizing the Designated Officers designee to take other actions as necessary in connection with the issuance of the Ice Centre Refunding Bonds. CEQA: Not a Project.**
 - (f) **Adoption of a resolution of the City Council authorizing the City Attorney to negotiate and execute an agreement with Jones Hall, A Professional Law Corporation (“Jones Hall”) for bond counsel and disclosure counsel services related to the issuance of the City of San José Lease Revenue Bonds Series 2008A through 2008F in an amount not to exceed \$400,000. CEQA: Not a Project.**
- (Deferred from 5/20/08 – Item 2)**

2. Actions Related to the City of San José Financing Authority Lease Revenue Bonds (Cont'd.)

Action: Upon motion by Council Member Constant, seconded by Council Member Liccardo and carried unanimously, [Ordinance No. 28323](#), entitled: “An Ordinance of the City of San José Amending Ordinance No. 28071 to Appropriate Monies in the City Hall Debt Service Fund for the City Hall Deb Service; and Providing that this Ordinance shall become effective Immediately upon Adoption”, [Resolution No. 74400](#), [SJFA Resolution No. 78](#); [Resolution No. 74401](#), entitled: “A Resolution of the Council of the City of San José Approving, Authorizing and Directing Execution of Certain Financing Documents and Directing Certain Related Actions in Connection with the Issuance of the City of San José Financing Authority Lease Revenue Bonds, Series 2008B (Civic Center Garage Refunding Project) in an Aggregate Principal Amount not to exceed \$35,000,000”, [SJFA Resolution No. 79](#), entitled: “A Resolution of the City of San José Financing Authority Authorizing the Issuance of Lease Revenue Bonds, Series 2008B (Civic Center Garage Refunding Project) in an Aggregate Principal Amount not to exceed \$35,000,000, Authorizing and Directing the Execution of Certain Financing Documents, Authorizing and Directing the Negotiated Sale of the Bonds, Approving the Official Statement Relating thereto, and Authorizing other Related Actions, [Ordinance No. 28324](#), entitled: “An Ordinance of the City of San José amending Ordinance No. 28071 to Appropriate Monies in the Community Facilities Revenue Fund for the Transfer for Debt Service Payments for the Hayes Phase III; and Providing that this Ordinance shall become effective Immediately upon Adoption”, [Resolution No. 74402](#), entitled: “Adoption of a Resolution of the City Council Approving, Authorizing and Directing Execution of Certain Financing Documents and Directing Certain Related Actions in Connection with the Issuance of the City of San José Financing Authority Lease Revenue Bonds, Series 2008D (Hayes Mansion Refunding Project) in an Aggregate Principal Amount not to exceed \$48,000,000”, [SJFA Resolution No. 80](#), Entitled: : “A Resolution of the City of San José Financing Authority Authorizing the Issuance of Lease Revenue Bonds, Series 2008C (Hayes Mansion Refunding Project) in an Aggregate Principal Amount not to exceed \$48,000,000, Authorizing and Directing the Execution of Certain Financing Documents, Authorizing and Directing the Negotiated Sale of the Bonds, Approving the Official Statement Relating Thereto, and Authorizing Other Related Actions, [Ordinance No. 28325](#), Entitled: “An Ordinance of the City of San José Amending Ordinance No. 28071 to Appropriate Monies in the Ice Centre Revenue Fund for the Transfer for Debt Service Payment for the Ice Centre; and Providing that this Ordinance shall become effective Immediately Upon adoption”, [Resolution No. 74403](#), Entitled: “Adoption of a Resolution of the City Council Approving, Authorizing and Directing Execution of Certain Financing Documents and Directing Certain Related Actions in Connection with the Issuance of the City of San José Financing Authority Lease Revenue Bonds, Series 2008E (Ice Centre Refunding Project) in an Aggregate Principal Amount not to exceed \$28,000,000”, [SJFA Resolution No. 81](#), entitled: “A Resolution of the City of San José Financing Authority Authorizing the Issuance of Taxable Lease Revenue Bonds, Series 2008E (Ice Centre Refunding Project) in an Aggregate Principal Amount not to exceed \$28,000,000, Authorizing and Directing the Execution of Certain Financing Documents,

2. Actions Related to the City of San José Financing Authority Lease Revenue Bonds (Cont'd.)

Authorizing and Directing the Negotiated Sale of the Bonds, Approving the Official Statement Relating Thereto, and Authorizing Other Related Actions”, [Resolution No. 74408](#), entitled: “A Resolution of the Council of the City of San José Authorizing the City Attorney to Negotiate and Execute an Agreement with Jones Hall, a Professional Law Corporation, for Bond Counsel and Disclosure Counsel Services Related to the Issuance of the City of San José Financing Authority Lease Revenue Bonds Series 2008A through 2008F”, were adopted. (10-0-1. Disqualified: Pyle.)

The Joint Council/San José Financing Authority Meeting was adjourned at 4:16 p.m.

Minutes Recorded, Prepared and Respectfully Submitted by,

Lee Price, MMC
City Clerk

rmk/06/03/08 MIN

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